THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) It is Government's constant endeavour to contain non-plan, non-developmental expenditure. It is in this context that, along with other measures, instructions to avoid wasteful expenditure are issued by the Ministry of Finance from time to time to all the Ministries/Departments. The Ministry of Finance has issued fresh guidelines on expenditure management-fiscal prudence and austerity on 24th September, 2004. These measures, *inter-alia,* include ban on the creation of posts, reduction in the number of sanctioned posts, restrictions on the filling up of vacant posts, reduction in office expenses, restrictions on purchase of vehicles, restrictions on foreign travel and on entertainment/ hospitality expenses, mandatory 10% cut in the budgetary allocation for non-plan, non-salary expenditure. Ministries/Departments are to ensure strict compliance of these austerity instructions.

Clean Note Policy

1926. SHRI EKANATH K. THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Reserve Bank of India is getting tougher with implementation of its, clean note policy;

(b) if so, whether it is also a fact that inscribing messages, slogans and various remarks or defacement, disfigurement and scrawling on currency notes is prohibited under the Legal Tender Act, 1964;

(c) whether it is a fact that now banks can refuse to accept defaced and disfigured currency notes; and

(d) if so, the steps Government propose to take to educate the ordinary customers about the upkeep and proper handling of currency?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. In terms of the provisions of the Legal Tender (Inscribed) Notes Act 1964, and the RBI (Note Refund) Rules, the currency notes which bear written upon with any extrinsic words or visible representation intended to convey or capable of conveying a message of a political character shall not be a legal tender and the Reserve Bank of India (RBI) shall not be under any legal obligation to receive any such note or to issue coins or currency/bank notes in exchange for any such note or to refund the value of such notes.

(c) All currency chest branches of commercial banks have been delegated the powers to provide exchange facility to members of the public for exchanging their soiled/mutilated notes. The value of the notes, however, is payable in terms of the various provisions of the RBI (Note Refund) Rules.

(d) RBI periodically keeps public informed by way of publicity campaigns through print and electronic media about the 'Clean Note Policy' and proper handling of currency notes.

Loan Sanction

†1927. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that out of total loans sanctioned by the Scheduled Commercial Banks, 61.50 per cent loans have been sanctioned to metropolitan areas during the year 2003-04, whereas in rural and semi-urban areas only 9.57 per cent and 11.38 per cent have been sanctioned respectively;

(b) if not, the facts with regard to the above; and

(c) the reasons for such a big difference?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANKICKAM): (a) Yes, Sir. The Reserve Bank of India (RBI) has informed that the total bank credit extended by all Scheduled Commercial Banks (SCBs) to the Metropolitan, Urban, Semi-urban and Rural areas as on March 31st, during the year, 2003-04 is as under:-

(Rs. in Crores)

Area	Credits	% of Credits of Total Credits
Metropolitan	547869	61.50
Urban	156399	17.55
Semi-urban	101354	11.38
Rural	85244	9.57
Total	8,90,866	100.00

†Original notice of the question was received in Hindi.